



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

Friday, June 15, 2001

**TREASURER TAKES LEGAL ACTION TO ENSURE FAIR RATES AND TO HELP
RESTORE STATE'S GOOD CREDIT**

SACRAMENTO, CA – California State Treasurer Philip Angelides today filed a brief in support of litigation that seeks to ensure just and reasonable energy rates for California. The amicus brief was submitted to the United States Court of Appeals for the Ninth Circuit in San Francisco, requesting an immediate rehearing of a case brought against the Federal Energy Regulatory Commission (FERC) by Senate President pro Tempore John Burton, Assembly Speaker Robert Hertzberg and the City of Oakland, and recently rejected by the Court.

According to Treasurer Angelides, the FERC's failure to act to reign in unconscionable increases in the costs of power impacts "not only the State's economy as a whole, but more specifically the State's financial integrity, its credit-worthiness and its cost of borrowing." He argued that "continued price volatility may require the State to augment its rate increases or power purchase borrowings, further burdening the State's ratepayers and its economy...."

The State Treasurer's Office is responsible for selling bonds to finance the State's infrastructure, including transportation, schools, parks, water quality projects and other needs. Prior to the energy crisis, the State credit rating had reached its highest mark since 1994, saving taxpayer dollars on the cost of infrastructure improvements.

The text of the amicus brief may be obtained from the Treasurer's web site: www.treasurer.ca.gov.

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